



General Assembly

January Session, 2011

Substitute Bill No. 988

* SB00988LAB 031111 *

**AN ACT CONCERNING THE SOLVENCY OF THE UNEMPLOYMENT
COMPENSATION TRUST FUND.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (f) of section 31-225a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2011*):

4 (f) (1) For each calendar year commencing with calendar year 1994
5 but prior to calendar year 2012, the administrator shall establish a fund
6 balance tax rate sufficient to maintain a balance in the Unemployment
7 Compensation Trust Fund equal to eight-tenths of one per cent of the
8 total wages paid to workers covered under this chapter by
9 contributing employers during the year ending the last preceding June
10 thirtieth. If the fund balance tax rate established by the administrator
11 results in a fund balance in excess of said per cent as of December
12 thirtieth of any year, the administrator shall, in the year next following,
13 establish a fund balance tax rate sufficient to eliminate the fund
14 balance in excess of said per cent. For each calendar year commencing
15 with calendar year 2012, the administrator shall establish a fund
16 balance tax rate sufficient to maintain a balance in the Unemployment
17 Compensation Trust Fund that results in an average high cost multiple
18 greater than or equal to 1.0. If the fund balance tax rate established by
19 the administrator results in a fund balance in excess of said amount as
20 of December thirtieth of any year, the administrator shall, in the year
21 next following, establish a fund balance rate sufficient to eliminate the
22 fund balance in excess of said amount. The assessment levied by the

23 administrator at any time (A) during a calendar year commencing on
 24 or after January 1, 1994, but prior to January 1, 1999, shall not exceed
 25 one and five-tenths per cent, (B) during a calendar year commencing
 26 on or after January 1, 1999, shall not exceed one and four-tenths per
 27 cent, and [(C)] shall not be calculated to result in a fund balance in
 28 excess of eight-tenths of one per cent of such total wages, and (C)
 29 during a calendar year commencing on or after January 1, 2012, shall
 30 not exceed one and four-tenths per cent and shall not be calculated to
 31 result in a fund balance in excess of the amounts prescribed in this
 32 subdivision.

33 (2) The average high cost multiple shall be computed as follows:
 34 The result of the balance of the Unemployment Compensation Trust
 35 Fund on December thirtieth immediately preceding the new rate year
 36 divided by the total wages paid to workers covered under this chapter
 37 by contributing employers for the twelve months ending on the
 38 December thirtieth immediately preceding the new rate year shall be
 39 the numerator and the average of the three highest calendar benefit
 40 cost rates in (A) the last twenty years, or (B) a period including the last
 41 three recessions, whichever is longer, shall be the denominator. Benefit
 42 cost rates are computed as benefits paid including the state's share of
 43 extended benefits but excluding reimbursable benefits as a per cent of
 44 total wages in covered employment. The results rounded to the next
 45 lower one decimal place will be the average high cost multiple.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2011	31-225a(f)
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Statement of Legislative Commissioners:

In subdivision (2) of subsection (f), "shall be divided by" was deleted and was replaced with "shall be the denominator" for consistency and to conform with proper use of language.

LAB *Joint Favorable Subst.-LCO*